GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3492
ANSWERED ON:07.09.2007
RBI LOAN TO UNION GOVERNMENT
Dhotre Shri Sanjay Shamrao;Gawali Smt. Bhavana Pundlikrao

Will the Minister of FINANCE be pleased to state:

(a) whether the burden of loan of Reserve Bank of India (RBI) has further increased on the Government; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Government of India borrows from RBI through Ways and Means Advances (WMA) to meet temporary cash flow mismatches. The limits for WMA are fixed by RBI in consultation with the Government. WMA limits for the current financial year 2007-08 have been fixed at Rs. 20,000 crore for the first half of the year (April-September) and Rs. 6,000 crore for the second half of the year (October-March). Borrowings in excess of the WMA limits are termed as Overdraft (OD). Interest paid on WMA/OD during 2005-06 and 2006-07 was Rs.0.21 crore and Rs. 26.24 crore respectively. Budget Estimates for 2007-08 on this account is Rs. 150.00 crore.